

Exploring the Phases involved in the process of Contingent Decision Making.

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ABSTRACT--*The primary objective of the study is to identify the phases in the process of Contingent Decision making. The data were collected through a snowball sampling method conducted in five zones of India. The purposive sampling method was employed along with choose the respondents and to solicit the responses. The google form of questionnaire method was used, and the collected samples are analyzed through simple averages and percentages. Budget is what comes first in the mind of respondents in a contingent purchase situation. Most of the respondents tend to restrict their monetary limit to spend in a contingent purchase situation. Respondents tend to evaluate the sources of funds to solve the contingent need for purchase. It has been observed that contingent purchase is highly uncertain, and it is very difficult to predict the emergence of the need for money for the contingent purchase. Respondents think about the solution for repayment or adjustment to the sources from where they are going to raise the fund. People involved in the information search while making the contingent purchase decision. Respondents tend to change their budget according to the need after searching the information regarding the product or services they want to purchase. This paper will help the readers to understand how Contingent decision-making works. After knowing the mechanism, the proper strategies can be made to provide relevant products and services to the customers.*

Keywords-- *Contingent, Decision Making, Unplanned Purchase, Process, Consumer.*

I. INTRODUCTION

Those purchase decisions where nothing is fixed in advance, and it happens all of a sudden, can be termed as unplanned purchase. In most of the books and literature, the unplanned purchase behavior is shown at par with the impulse purchase. So it can be said that an impulse purchase or impulse buying is an unplanned decision to **buy** a product or service, made just before purchase without a second thought backed by emotions. The following equation can describe impulse purchase:

Impulse Purchase = Unplanned + Irrational + No involvement + No Brand Difference.

Going through different books and works of literature based on an impulse purchase. The researcher can identify certain criteria for any purchase to be called as an Impulse purchase. These following written are the criteria for impulse purchase:

- (a) Irrational or Emotional
- (b) Purchase without a second thought
- (c) Unplanned decision
- (d) No brand comparisons
- (e) No involvement (Evaluations of alternative)

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However, Unplanned buying behavior is very complex, and another type of unplanned purchase can be contingent purchase. Contingent decision making refers to that type of decision making where people make their purchase decision during an unplanned and contingent situation which need an immediate solution but not necessarily void of rationality. The following equation can describe impulse purchase:

Contingent Purchase = Unplanned + Rational + low/ high/ moderate Involvement + Few/ No Brand Difference.

Consumer decision making process:

"Understanding the consumer decision-making process assumes great importance to any marketer. This understanding enables the marketer to appreciate the roles of different factors influencing the target segment and, in the process, the marketer could target the consumer by selecting proper influencers. "

Step-1: Problem recognition

The beginning stage of the decision making process is the perceived need or desire. In this stage, a particular need or want emerges for a specific product and consumer feels eager and pressure charged until or unless if that issue is comprehended.

Step-2: Information search

Once the problem is recognized, then there is a requirement for a search of information. The information search can be delegated to an external search or internal search. The internal search often comprises of an endeavor to examine data put away in memory to review past involvement or learning concerning different buy options.

Step-3: Evaluation of alternatives

In this stage, purchasers seek for different alternatives available, and they look for answers like "What is the best for them?" There are heaps of attributes that drive customers to buy. A few properties are silent, and some are determinant.

Step-4: purchase

In the purchase stage, the consumer wishes to purchase a specific product by considering different limitations and applying criteria to the item assortments, which are known to him (awareness set).

Step-5: Post-purchase evaluation

Once the purchase has occurred, the consumer may jump at the chance to rationalize the purchase decisions. Be that as it may, the involvement with the product proposes some level of satisfaction or dissatisfaction. Consumer satisfaction is not an end in itself. The buyer must get charmed with the product.

II. REVIEW OF LITERATURE

Stern, H. (1962) done his research on "The Significance of Impulse Buying Today." In this research, the researcher attempts to characterize impulses purchase, and its composes. Here the researcher distinguished four kinds of impulse purchases, which are Pure Impulse, Reminder Impulse, Suggestion Impulse, and Planned Impulse purchasing. The research in this research very specifically said that impulse Purchase is irrational and, therefore, impossible to influence.

Madhavaram & Laverie. (2006) completed their study on "Exploring Impulse Purchasing on the Internet." The study depends on the collection of information by utilizing a self-regulated screening questionnaire, which is trailed by an in-depth questionnaire. The study attempts to characterize impulse purchase behavior over the web, and the findings of the investigation propose that impulse purchase exists on the internet likewise, and there are stimuli other than the item which will cause inevitable impulse purchase.

Lee and Kacen. (2007) contemplated on "Cultural Influences on Consumer Satisfaction with Impulse and Planned Purchase Decision." The study endeavors to recognize and analyze the factors which can impact the impulse purchase decisions, including culture and the part of another individual who is there at the time of purchase. The outcomes show that the part of other individuals is altogether different in planned and impulse purchases, and the distinction in the impact can be clarified by culture. The study uncovers that collectivist consumers are more satisfied when contrasted with individual consumers with impulse purchases when someone else is available at the time of purchase.

Liu et al. (2013) led an investigation on "Website Attributes in Urging Online Impulse Purchase: An Empirical Investigation on Consumer Perception." The investigation endeavors to discover how an alternate strategy of marketer makes an inclination of purchase among consumers. The study has been done with the assistance of the survey questionnaire, and the outcome demonstrates that personality factors assume a critical part for the customer while the visual appeal. This website convenience likewise imperative elements make a desire to purchase among consumers.

Hostler, et al. (2011) done their research on "Assessing the impact of Recommender Agents on Online Consumer unplanned Purchase Behaviour." The principle goal of the investigation is to comprehend the effect of recommender agents on online purchaser conduct. The researcher found that the recommender agent expanded the promotion and product search effectiveness, satisfaction, and unplanned purchase.

III. OBJECTIVES OF THE STUDY

The primary objective of the study is to identify the phases in the process of Contingent Decision making.

IV. METHODOLOGY OF THE STUDY

For the present study, the Survey method has been used to gather the required information from the respondents on the purposive basis. The study is, by nature, exploratory, and analytical. The study is constructed simply in light of primary data as it were. The primary data have been gathered through snowball sampling. Since it is difficult to assert the absolute number of customers in India as no such data is accessible, so to startup with the study, the entire population for the study has been considered as undeterminable. To ensure the representativeness of the sample and determine the reliability of the questionnaire, a pilot study was carried out, and the questionnaire was pretested on a small sample of forty respondents. No confinement was made based on age, sex, area, and religion. So as to represent the customer population of India, five zones of the nation were purposively chosen. The zones of India chosen for the study were West Bengal in the East zone, Rajasthan in the West zone, Tamil Nadu in the south zone, Delhi in the north zone, and Madhya Pradesh in the central zone. A prefixed quota of 43 respondents on an average from each zone were tapped, summing up to a total of 218

respondents for the study. In order to access these responses, the snowballing method of data collection was adopted by using an online questionnaire prepared with the help of google form. Only those respondents whose monthly income is above ₹30,000 were chosen to reduce any ambiguity in the affordability and rationality that may be evidenced while making contingent purchases across varying income stratum.

Table 1: OBSERVATION AND DISCUSSION

| Questions Asked | Response | | | |
|---|-------------------------------|--|----------------------|-------------------|
| Elements that Come First in the Mind at the Time of Contingent Purchase. | Budget | Time | Information | Experience |
| The tendency to Restrict the Budget Before Contingent Purchase | Yes | No | ---- | ---- |
| Evaluation of Sources from Where Fund can be Raised | Yes | No | ---- | ---- |
| Consideration for Solution of Repayment | Yes | No | ---- | ---- |
| Involvement of Information Search | Yes | No | ---- | ---- |
| Changes in Budget after Information Search | Yes | No | ---- | ---- |
| The reaction of Respondents on Being the Product Unavailable | Go for the substitute product | Wait until the product becomes available | ---- | ---- |
| Main Focus of Respondents in a Contingent Purchase | Product Price | Product Quality | Product availability | ---- |
| Most Trusting Factor at the Time of Contingent Purchase. | Salesman | Friends/ Relatives | Past Experience | ---- |
| Most Preferable Mode of Payment. | Cash | Cheque | Online Mode | Debit/Credit Card |

| | | | | |
|---|------------------|------------------------|------|------|
| Involvement of Guilt in Post Contingent Purchase. | Yes | No | ---- | ---- |
| The intent to Recommended the Contingently Bought Product. | Yes, I Recommend | No, I Do not Recommend | ---- | ---- |

Interpretation:

The table shows that the first thing which comes in the mind of the customers at the time of contingent purchase is budget (91.7 %) whereas time (7.8 %) is the second most preferred element which comes in the mind of customer at the time of contingent situation and one of the reasons for considering budget ahead of time is to not separating a portion of money in the name of contingency. As soon as respondents find themselves in a contingent purchase situation, most of them (89.4 %) tend to estimates the required money and restrict the budget up to a certain limit. It has been observed from the table that majority of the respondents (83.5%) tend to evaluate the sources from where they can raise money to solve the contingent purchase whereas a small portion (16.5 %) of the respondents do not evaluate the sources when they find themselves in a contingent situation of purchase. As soon as fund has been raised from the source, the table shows that most of the respondents (93.1 %) consider for the solution of repayment to the sources from where they raise the fund whereas some of the respondents (6.9 %) did not show consideration for repayment. The table shows the involvement of the respondents in information search. It has been found that majority of the respondents (69.7 %) of the respondents from all the age group, gender, and state of residence prefer to search the information when they find themselves in a contingent situation whereas 30.3 % of the respondents take their decision without searching any information when they found themselves in a contingent situation of purchase irrespective of the age, gender, and state of residence. On being asked about the possibility of changing the budget after searching the information, it has been observed from Table that 71.6 % of the respondents prefer to change their budget after searching the information. The contingent situation of purchase needs an immediate solution, and it has been observed from the table that around 90.4 % of the people go for the substitute products when they find the required product being available. The table makes it very clear that 87.2 % of the respondents irrespective of their age, gender, and state of residence keep their main focus on the price of the product is contingent purchase situation followed by 10.6 % of the respondents who keep their main focus in the availability of the product. The majority of the respondents, i.e., 73.4 % trust their friends/relatives at the time of contingent purchase, followed by 22.9 % of the respondents who trust their experience at the time of contingent purchase irrespective of their age, gender, and state of residence. It has also been observed that only 3.7 % of the respondents irrespective of the state of residence. India is becoming cashless, and the table also shows the use of debit/credit card by most of the respondents, i.e., 84.9 % at the time of contingent purchase in all the five states among the majority of the age group, male and female followed by cash which is used by 13.3 % of the respondents. It is very interesting to find that in the majority of the cases, i.e., 90.8 %, a pang of guilt remains in the mind of respondents across all the age groups and gender in all the selected states that these

purchases could have been better if made in the normal situation. The table shows the intent of the respondents to recommend the contingently bought products, and it has been found that 69.3 % of the respondents do not prefer to recommend the contingently bought products to others.

V. FINDINGS OF THE STUDY:

Budget is what comes first in the mind of respondents in a contingent purchase situation. Most of the respondents tend to restrict their monetary limit to spend in a contingent purchase situation. Respondents tend to evaluate the sources of funds to solve the contingent need for purchase. It has been observed that contingent purchase is highly uncertain, and it is very difficult to predict the emergence of the need for money for the contingent purchase. Respondents think about the solution for repayment or adjustment to the sources from where they are going to raise the fund. People involved in the information search while making the contingent purchase decision. Respondents tend to change their budget according to the need after searching the information regarding the product or services they want to purchase. In a contingent situation of purchase, if a product is unavailable, than most of the respondents prefer to go for another substitute product rather than waiting for the same to be available. The main focus of the respondents is on the price of the available product in a contingent situation as compared to quality and availability. At the time of contingent purchase, most of the respondents trust their friends/relatives, and almost no one shows much confidence in the salesperson. Most of the respondents prefer to make their payment through Debit/Credit card at the time of contingent purchase since India is moving ahead towards digitalization. It is found that a feeling of guilt remains there after the contingent purchase decision that the purchase could have been better in a normal situation. Respondents normally do not prefer to recommend the products bought in a contingent situation as it is found from the study that there is a pang of guilt remain there in them that this purchase could have been better if done in a normal situation. The study has revealed that there is a process which is followed in the contingent purchase, as shown below:

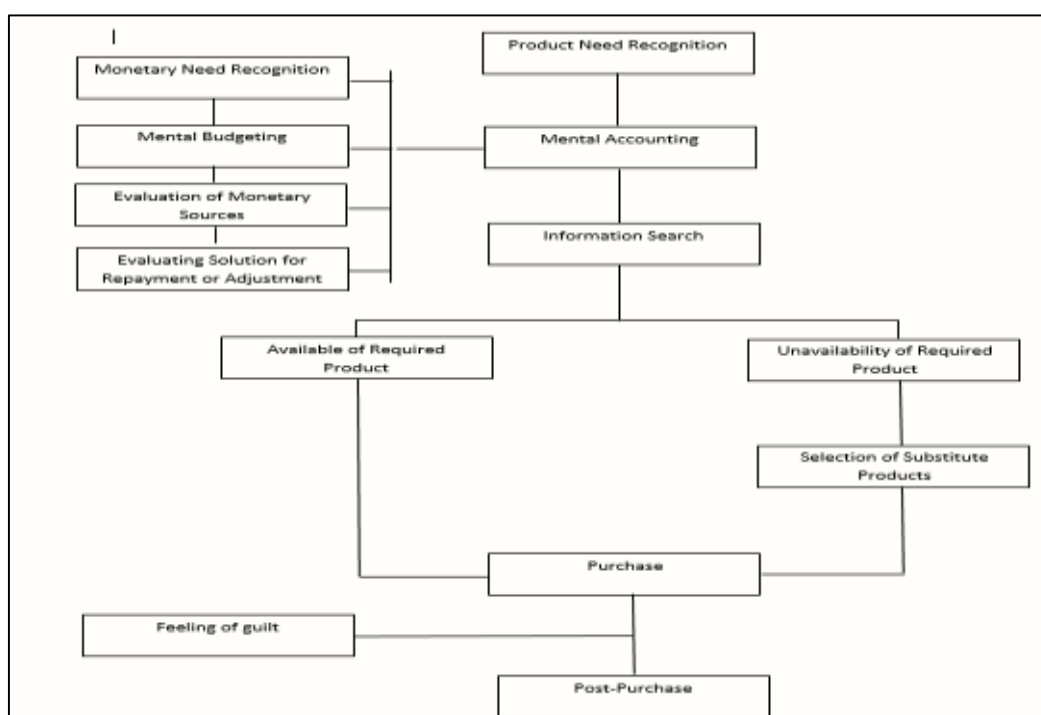


Figure 1: Contingent Purchase Decision Making Process

The study has revealed that there is a process that is followed in the Contingent Decision-Making Process. The steps are enumerated hereunder along with the basic idea behind the process as follows:

Step 1) Product Need Recognition: As soon as people find them in a contingent situation, the need for the appropriate product to solve that situation arises.

Step 2) Mental Accounting: Mental accounting is a mental process which shows the tendency of people to place value based on which category the money falls into. In Contingent Decision Making mental accounting also it is shown as a process of making a separate account of money to deal with the aroused product need. The process of Mental Accounting is shown hereunder:

- (a) **Monetary Need Recognition:** Monetary need is required to solve the aroused product need.
- (b) **Mental Budgeting:** Mental budgeting is a mental process of estimating a budget, which will be enough to solve the recognized product need.
- (c) **Evaluation of Monetary Sources:** As soon as an estimate has been fixed, the evaluation of monetary sources starts to raise the money for solving the required product need.
- (d) **Evaluating Solution for Repayment/Adjustment:** After the evaluation of monetary sources, the next step is to evaluate the sources for repayment or adjustment, which means the different mechanisms to repay the money which has been raised to solve recognized product need.

Step 3) Information Search: The third step in the process is information search where the related information regarding the product has been acquired within a very short period.

Step 4) Availability/Unavailability of Products: Contingent Purchase demand decision making in a very short period. So if the required product is available, then people go for the same product, but in case of a product being unavailable, people generally tend to go for a substitute product.

Step 5) Purchase: People finally purchase the required product (in case of availability) or purchase the substitute product (in case of unavailability). A feeling of guilt generally found just after the purchase that the same purchase could have been better if done in a normal purchase situation.

Step 6) Post Purchase: The use of the product will lead to either satisfaction or dissatisfaction. Satisfaction generally leads to a very positive word of mouth, whereas dissatisfaction generally leads to cognitive dissonance.

VI. CONCLUSION OF THE STUDY

The main purpose of the study has been to analyze the process of Contingent decision making. The present research reveals that the Contingent Purchase decision making follows a particular pattern. These thought processes have been attended to in the study in a limited manner; thereby, leaving much scope for conducting further similar researches intended at developing conceptual bases. While modern marketing has captured a wide variety of events to capitalize upon (ranging from religious and cultural festivals to personal events and a host of others), Contingencies tends to be unavoidable events of every customers' life that play a significant role in their purchase behaviors and expenditure patterns. Hence, the researcher, via the present research work, merely tries to draw the attention of all marketing stakeholders towards this very vital category of the event while designing marketing strategies.

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